

Message Text

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ORIGIN SS-15

INFO OCT-01 ARA-10 ISO-00 SSO-00 /026 R

66624

DRAFTED BY:S/S-O:RBMCMULLEN

APPROVED BY:S/S-O:KKURZE

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O P 240625Z FEB 74

FM SECSTATE WASHDC

TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS IMMEDIATE

INFO AMEMBASSY MEXICO PRIORITY

XMT AMEMBASSY MEXICO

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FOL MEXICO 1645 SENT ACTION SECSTATE FEB 23 REPEATED TO
YOU QUOTE

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SECTO 31

E.O. 11652: N/A

TAGS: PFOR, OCON, XM, MX

SUBJECT: HIGHLIGHTS OF CLOSED DISCUSSION OF AGENDA ITEM I AT FOREIGN
MINISTERS MEETING -- COOPERATION FOR DEVELOPMENT

DEPARTMENT PLEASE PASS TO ALL ARA POSTS

1. PERUVIAN FOREIGN MINISTER DE LA FLOR LED OFF WITH
WHAT HE DESCRIBED AS THE LATIN CONSENSUS ON THE PRINCIPLES,
STANDARDS AND INSTITUTIONAL ASPECTS OF COOPERATION FOR
DEVELOPMENT. IN EFFECT, HIS STATEMENT REPRODUCED WHAT THE
LATINS HAD BEEN URGING DURING THE SPECIAL COMMITTEE TO
RESTRUCTURE THE INTER-AMERICAN SYSTEM ON SUCH MATTERS AS
INTEGRAL DEVELOPMENT, ECONOMIC COERCION, COLLECTIVE
ECONOMIC SECURITY, PERMANENT AND UNCONDITIONAL CHARACTER
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OF ASSISTANCE, MULTINATIONAL CORPORATIONS, AND STRENGTHENING

OF THE SCCN. HE ALSO CALLED FOR: THE PARTICIPATION OF ALL REPEAT ALL COUNTRIES IN THE REGION REGARDLESS OF THEIR SYSTEMS; DEVELOPED COUNTRIES TO MEET THE TARGET OF ONE PERCENT OF GDP AS THEIR CONTRIBUTION TO THE LDC'S; FAVORED TREATMENT FOR THE RELATIVELY LEAST DEVELOPED COUNTRIES; A COLLECTIVE AND COORDINATED APPROACH TO ASSISTANCE TO COUNTRIES HIT BY NATURAL CALAMITIES; A PERMANENT INSTITUTIONAL FRAMEWORK INCLUDING A FORUM FOR EXCHANGING INFORMATION AND CONSULTATION AT THE TECHNICAL LEVEL; AND, THE IMPROVEMENT OF SCCN. HE CONCLUDED THAT ANY ACTION PLAN FOR DEVELOPMENT SHOULD BE BASED UPON THE CONSENSUS OF VINA DEL MAR AND CIES RESOLUTION 50 AT BOGOTA 1973.

2. THE SECRETARY INDICATED AGREEMENT WITH THE OBJECTIVES AND MANY OF THE METHODS DISCUSSED BY DE LA FLOR. HE ACCEPTED THE PRINCIPLES THAT AID SHOULD NOT BE OFFERED TO EXTRACT ADVANTAGES FROM OTHERS AND THAT ECONOMIC COERCION HAD NO PLACE IN OUR RELATIONSHIPS. HOWEVER, THE SECRETARY POINTED OUT THAT THESE PRINCIPLES HAVE NO OPERATIONAL SIGNIFICANCE UNLESS THEY ARE IMPLEMENTED WITH THE SPIRIT THE FOREIGN MINISTERS ARE TRYING TO BUILD AT THE TLATELOLCO CONFERENCE. UNLESS SO IMPLEMENTED, THE RESULT WOULD BE A SERIES OF CONFRONTATIONS IN THE REGION. SPECIFICALLY HE AGREED THAT: THE ORGANIZATION FOR DEVELOPMENT COOPERATION SHOULD BE PERMANENT; SPECIAL TREATMENT, INCLUDING SOFT LOANS, SHOULD BE OFFERED TO THE LEAST DEVELOPED COUNTRIES; THE SCCN SHOULD BE STRENGTHENED; AND, EFFORTS TO ASSIST COUNTRIES BESET BY NATURAL CALAMITIES SHOULD BE JOINT AND COORDINATED.

3. THE SECRETARY NOTED THAT THE U.S. HAD NO PROBLEM WITH EITHER OF TWO APPROACHES TO THE CONCEPT OF COMMUNITY, WHETHER THE QUESTION WAS TO STRENGTHEN AN EXISTING COMMUNITY OR TO CREATE A COMMUNITY. HE REMINDED DE LA FLOR THAT THE U.S. HAD PLEDGED ITS BEST EFFORTS TO REACH THE ONE PERCENT TARGET RATHER THAN COMMITTING ITSELF TO THAT GOAL. IN RESPONSE TO DE LA FLOR'S LISTING OF THE PRINCIPLE OF PARTICIPATION WITHOUT REGARD TO A NATION'S SYSTEM, THE SECRETARY INDICATED THAT LIMITED OFFICIAL USE

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THE TASK WAS TO DEVELOP A NEW UNDERSTANDING AMONG THOSE PRESENT AT THE CONFERENCE. THE U.S. WAS NOT IN A POSITION AT THE MOMENT TO DISCUSS THE PROBLEM OF THAT ISLAND IN THE CARIBBEAN.

4. BRAZILIAN FOREIGN MINISTER GIBSON BARBOSA ASKED THE SECRETARY TO CLARIFY HIS PLEDGE IN THE INAUGURAL SPEECH CONCERNING LIMITATIONS ON ACCESS BY LA TO U.S. MARKETS.

THE SECRETARY RESPONDED BY AFFIRMING THE PLEDGE OF THE U.S. TO DO ITS VERY BEST TO PREVENT THE PLACING OF NEW BARRIERS UPON LA EXPORTS. HE WARNED THAT UNILATERAL ACTIONS BY OIL CONSUMING COUNTRIES TO PUSH EXPORTS AND CURTAIL IMPORTS COULD BRING ABOUT A COLLAPSE OF THE WORLD ECONOMIC SYSTEM.

5. THE COLOMBIAN FOREIGN MINISTER SUPPORTED THE SECRETARY'S VIEW THAT RELATIONS NEED TO BE PLACED ON A NEW BASIS. HE ASSERTED THAT THE SYSTEM DID NOT POSSESS APPROPRIATE INTERNATIONAL MULTILATERAL STRUCTURES TO HANDLE THE PROBLEM OF EXTERNAL FINANCIAL COOPERATION. HE NOTED THAT EMERGENCIES SHOULD INCLUDE NOT ONLY GEOLOGICAL CALAMITIES BUT ALSO ABNORMAL ECONOMIC CONDITIONS SUCH AS THE OIL CRISIS AND THE TREMENDOUS RISE OF WHEAT AND OTHER PRICES.

6. THE SECRETARY POINTED TO THE EXISTENCE OF THE IDB WHICH THE U.S. WOULD CONTINUE TO SUPPORT. HE WELCOMED OTHER IDEAS AS TO MULTILATERAL FINANCIAL INSTITUTIONS. HE ACCEPTED THE COLOMBIAN MINISTER'S CONCEPT OF ECONOMIC EMERGENCIES AND INDICATED AN INTEREST IN SETTING UP MACHINERY TO DEAL WITH PRESENT EMERGENCIES AS WELL AS TO ESTABLISH MACHINERY TO IDENTIFY OTHER POSSIBLE EMERGENCIES.

7. THE PERUVIAN FOREIGN MINISTER STATED THAT THE QUESTION OF ECONOMIC EMERGENCY WAS PART OF THE CONCEPT OF COLLECTIVE ECONOMIC SECURITY. HE CALLED ATTENTION TO THE PROBLEMS OF COMMODITY OVERPRODUCTION AND PRICE DECLINES AND ASKED IF AGREEMENT COULD BE REACHED TO RESTRUCTURE NEW CRITERIA AND BASES FOR A SYSTEM OF COOPERATION FOR DEVELOPMENT, INASMUCH AS THE ALLIANCE FOR LIMITED OFFICIAL USE

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PROGRESS WAS OUTDATED.

8. THE SECRETARY AGREED THAT THESE ISSUES SHOULD BE ADDRESSED IN THE RESTRUCTURING OF THE INTER-AMERICAN SYSTEM.

9. THE VENEZUELAN FOREIGN MINISTER OBSERVED THAT WHEAT AND OTHER AGRICULTURAL PRICE INCREASES BROUGHT THE U.S. ADDITIONAL BILLIONS OF DOLLARS WHICH OFFSET THE DOLLAR RISE IN U.S. OIL IMPORT COSTS. HE DISTINGUISHED BETWEEN PUBLIC AND PRIVATE RESOURCE FLOWS, SUGGESTING THAT, ULTIMATELY, THE RECIPIENT OF PRIVATE FLOWS OFTEN PAID MORE THAN WAS RECEIVED.

10. THE PARAGUAYAN FOREIGN MINISTER EXPRESSED APPRECIATION FOR THE SECRETARY'S OFFER OF A DIALOGUE AND STRESSED THAT CONSULTATIONS, CONDUCTED IN THE STYLE OF A DIALOGUE, WERE WHAT WAS NEEDED NOW.

11. THE JAMAICAN FOREIGN MINISTER ASKED THE SECRETARY TO CLARIFY THE MEANING OF THE EMERGENCE OF A COMMUNITY AND INQUIRED IF THE SECRETARY WAS MAKING A DISTINCTION BETWEEN LATIN AMERICA AND THE CARIBBEAN WHEN HE REFERRED TO THESE AREAS.

12. THE SECRETARY RESPONDED THAT HE WAS NOT MAKING A DISTINCTION BUT WAS REFERRING TO ALL MEMBERS OF THE WESTERN HEMISPHERE COMMUNITY. HE EXPLAINED THAT BY COMMUNITY, HE MEANT A REALITY NOT A LEGAL STRUCTURE. THE REALITY HE SEEKS IS ONE IN WHICH WE ADJUST OUR POLICIES IN A SPIRIT OF COOPERATION. THIS REQUIRES RECIPROCITY ON EVERYONE'S PART AND IN THIS WAY, WE CAN GO BEYOND CONCEPT TO REALITY. KISSINGER UNQUOTE KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETING AGENDA, FOREIGN MINISTERS MEETINGS, MEETING REPORTS, FOREIGN ASSISTANCE
Control Number: n/a
Copy: SINGLE
Draft Date: 24 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE037000
Document Source: CORE
Document Unique ID: 00
Drafter: O:RBMCMULLEN
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740212/aaaaalos.tel
Line Count: 189
Locator: TEXT ON-LINE
Office: ORIGIN SS
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 11 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 SEP 2002 by elyme>; APPROVED <11-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: HIGHLIGHTS OF CLOSED DISCUSSION OF AGENDA ITEM I AT FOREIGN MINISTERS MEETING -- COOPERATION FOR DEVELOPMENT
TAGS: PFOR, OCON, XM, MX
To: ALL POSTS
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005